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26 August 1959
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ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL
ON THE
STATUS OF THE FOREIGN INTELLIGENCE PROGRAM
(Fiscal Year Ending 30 June 1959)

Submitted by

United States Intelligence Board

August 1959

NSC Declassification/Release Instructions on File

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ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL
ON THE
STATUS OF THE FOREIGN INTELLIGENCE PROGRAM
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I. Organization, Integration and Coordination

From the standpoint of the intelligence community the most significant organizational development during the past year was the creation of the new United States Intelligence Board. This Board, established by National Security Council Intelligence Directive No. 1, of 15 September 1958, integrates under a single body the responsibilities previously assigned to the former Intelligence Advisory Committee (IAC) and United States Communications Intelligence Board (USCIB). Initially the new Board retained substantially the IAC subcommittee structure, established COMINT and ELINT Committees to support the Board in these important areas,* and created an Intelligence Board Secretariat to assist the Board in carrying out its responsibilities. Subsequently, the Board undertook and substantially completed a systematic consolidation and revision of the Director of

* The activities in these fields are discussed in a Special Annex to this report.

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Central Intelligence Directives (DCIDs), and made some further adjustments in the Board's subcommittee structure.

During the fiscal year the Board created a Committee on Space Surveillance Intelligence Support and a Satellite Requirements Committee to coordinate community efforts relating to intelligence on outer space activities, a Cost Estimates Committee charged with providing annually a fully coordinated cost data report covering the intelligence community as a whole, and a Security Committee. Ad hoc groups were set up to study special problems [REDACTED]

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[REDACTED] and to report weekly on the Berlin situation on a community-wide basis. A comprehensive review of emergency planning within the intelligence community was initiated. The Board also es-

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established [REDACTED] services of common concern. We expanded the scope of our program for procuring and exploiting foreign publications. Intensive and long-range efforts were underway in many parts of the community to employ modern electronic equipment in intelligence information processing. We also moved to improve coordination in the collection

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and exchange of [REDACTED] particularly in those areas deemed most deficient. Other specific measures were taken to

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improve coordination and integration, with special emphasis on high priority intelligence targets. Within several USIB departments, notably State and Defense, basic reorganizations were made in order to meet departmental and community needs more effectively. For example, all intelligence research and analysis on Communist areas and international aspects of the Communist movement are now concentrated in a single office within the Bureau of Intelligence and Research of the Department of State, thus permitting an integrated approach to world Communism within that Bureau.

Intelligence liaison and exchanges with friendly governments continued on both the overt and covert level; we developed further our coordination [REDACTED]

[REDACTED] A number of conferences, including one for the highly important field of guided missiles, were held with [REDACTED] to discuss problems of mutual interest.

As a result of NSCID No. 1 and implementing actions such as those above, the Director of Central Intelligence and USIB have made material advances in the consolidation of policy-making and establishment of effective managerial control over the national U. S. intelligence

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effort. A principal effect of these developments is to provide increased assurance that the total resources of the U.S. intelligence community are available to those responsible for producing and coordinating our intelligence at the national level (e.g., National Intelligence Estimates, National Intelligence Surveys, Central Intelligence Bulletin).

II. Early Warning Capabilities

In spite of certain improvements, the problem of providing strategic early warning of a Sino-Soviet attack on the U.S. and U.S. forces has become increasingly difficult with Soviet advances in complex weapons systems, particularly in the field of guided missiles. To the extent that guided missiles may be in place in operational sites within the Sino-Soviet Bloc--and particularly if maximum surprise were desired--only a high-level decision and brief preparation at the missile sites would be absolutely necessary to launch an attack.

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Meeting

all these requirements in time to provide specific early warning would

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be unlikely or at best extremely difficult. If, however, conventional forces were used--alone or in conjunction with missiles--to launch a strategic attack, there would be a considerably better chance for detection. In situations initially involving more localized conflicts, intelligence is also in a better position to obtain evidence of the buildup of conventional forces in the area if this occurs. Such detection is especially likely if attention is focused by a general atmosphere of crisis. However, there remains the difficult analytical problem of distinguishing between the increase in Bloc capabilities for the purpose of bluff, probe or general readiness on the one hand, and the intention (or decision) to launch an attack with these increased capabilities on the other.

During the year a revision of the general list of indications of hostile intentions was undertaken, and the survey of the means and likelihood of acquiring these types of information was continued.

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Improved procedures were developed for the purpose of alerting the highest authorities, and further steps were taken to implement

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Research and development proceeded on several projects which bear on the early warning problem.

III. Intelligence Capabilities by Area

A. The Sino-Soviet Bloc

1. USSR

With respect to political intelligence, increased contacts at both unofficial and official levels, particularly with Mr. Khrushchev himself, combined with a more liberal Soviet policy on the release of information have provided a broader background on which to base inferences regarding Soviet society, its leaders and their general outlook. However, we still lack the types of hard information to permit reasonably confident anticipation of short-range specific prospects in the policy field, the rise and fall of key Soviet officials, or the tactical shifts in Soviet foreign policy focus among the various non-Bloc target areas. In addition, there is a dearth of direct evidence on the precise nature of the relationship between the Soviet Union and Communist China.

We are able to assess with considerable confidence the broad strengths and weaknesses of the Soviet economy. Economic intelligence on the USSR improved during the year as our continuing analysis of

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shifting Soviet economic policy reduced or eliminated many former uncertainties. In addition, economic intelligence collection was strengthened by new and comprehensive programs of community-coordinated guidance and by major improvements in [REDACTED]

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[REDACTED] However, important gaps in our information remain, particularly on the size, composition, and cost of Soviet military programs.

Rigorous security measures continue in effect in the USSR, yet our requirements call for increasingly detailed analysis of the complex new Soviet weapons systems. We are able to assess with confidence the broad military capabilities of the Soviet Union, but we are unable to measure with the degree of precision which would be desirable, the military force levels, and the deployment and detailed characteristics of many weapons systems including those of guided missiles. Nevertheless, we have made some advances in the past year, [REDACTED]

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[REDACTED] Despite intensified collection efforts, certain gaps still exist in a number of critical areas

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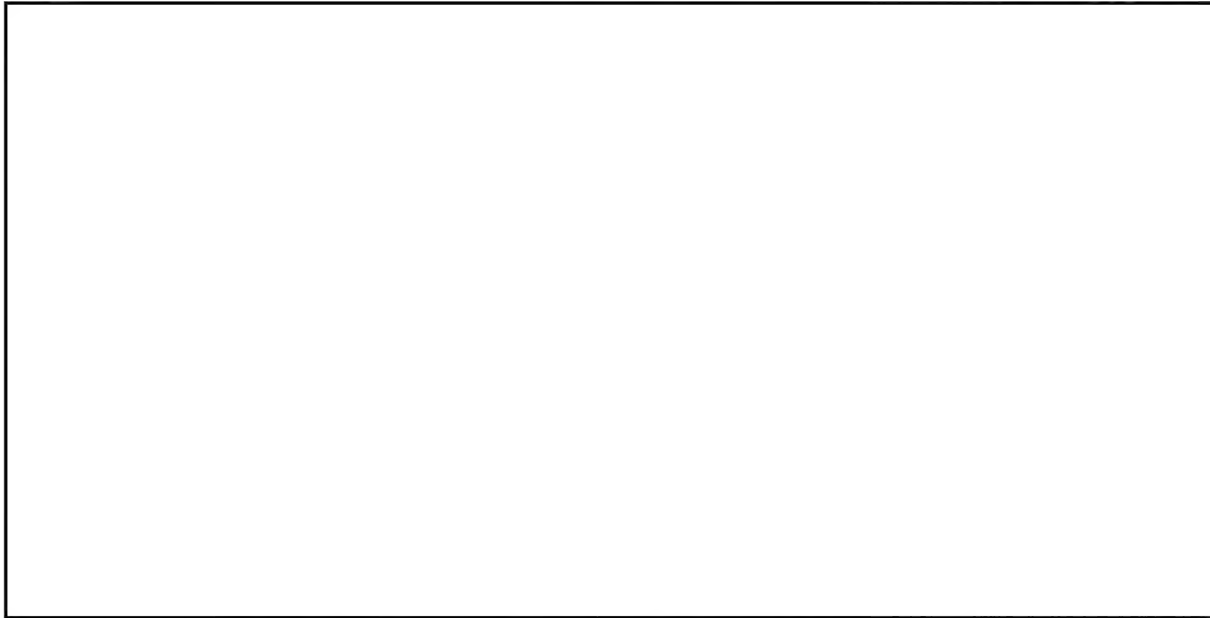
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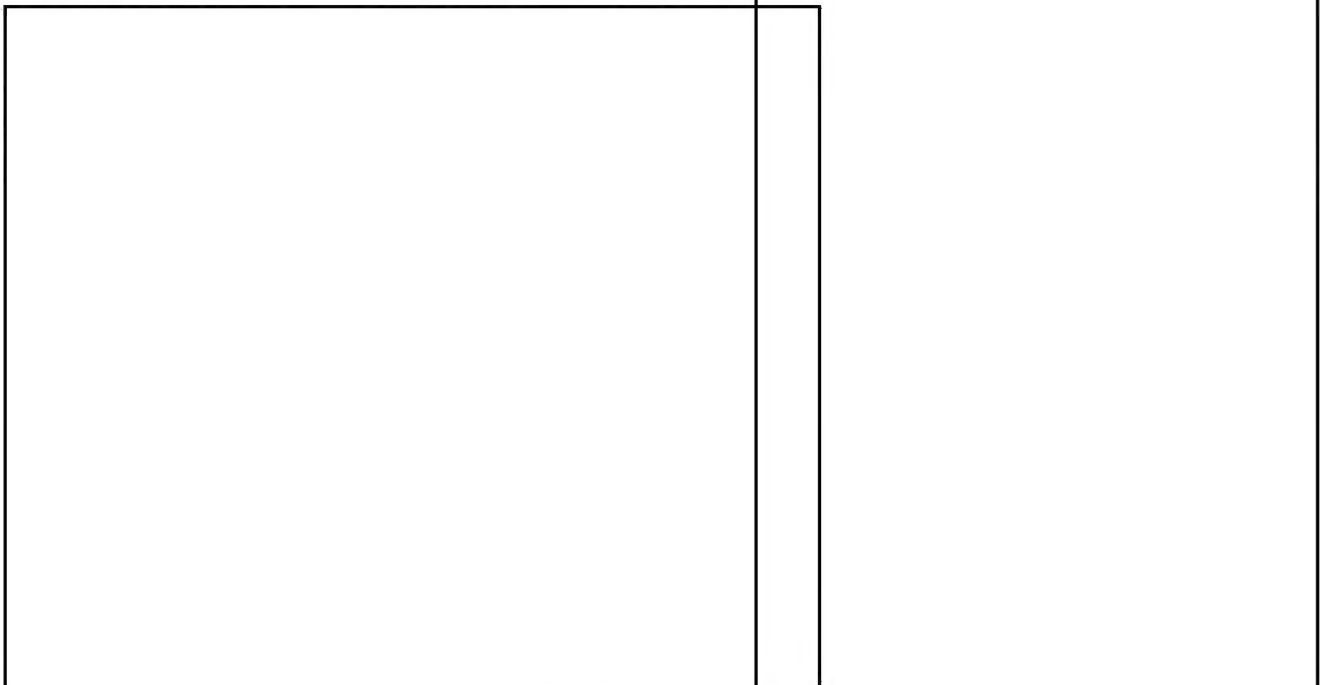


During the year intelligence coverage of the Soviet nuclear

test program continued to be of high quality,

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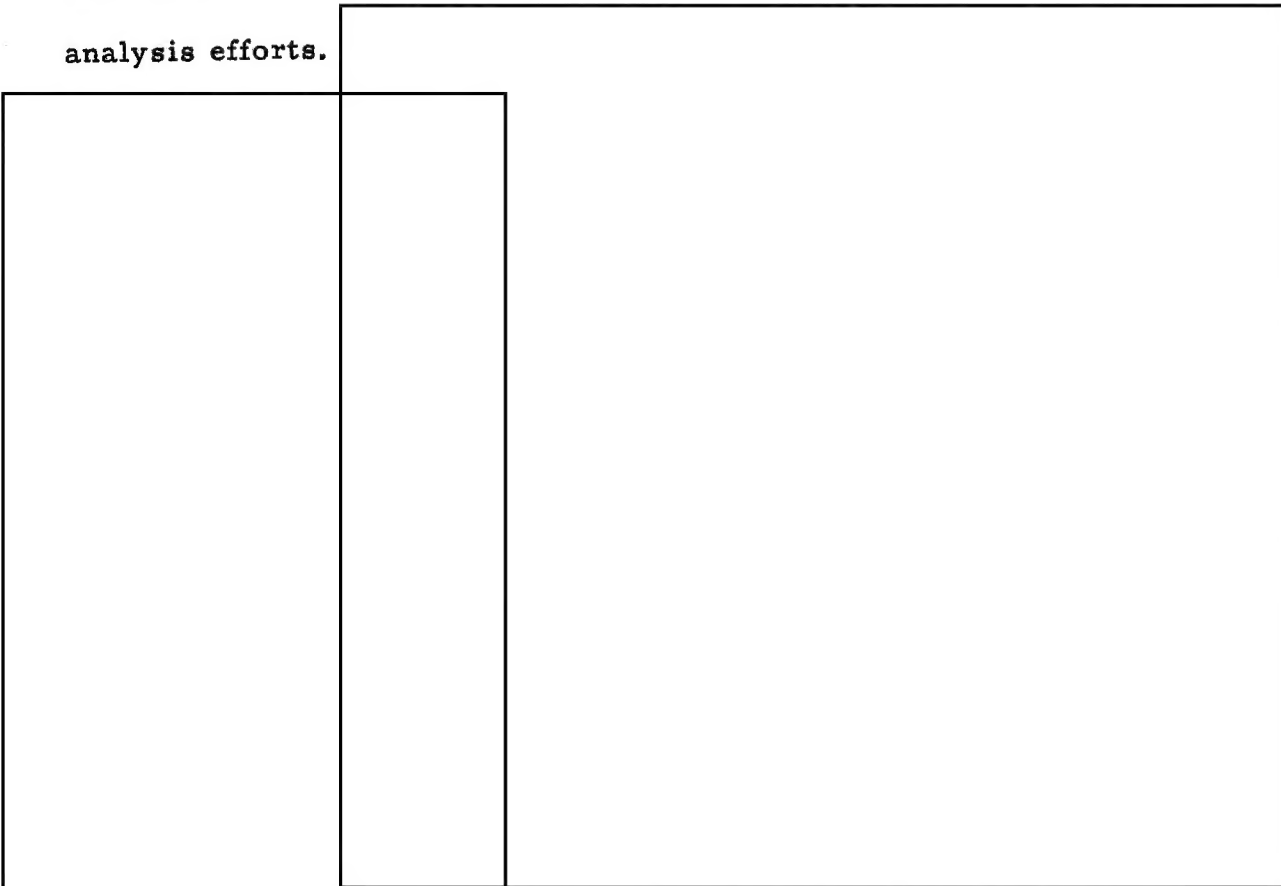
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Although our understanding of the Soviet missile and space program has increased somewhat during the past year, critical gaps still exist in most areas despite extensive and costly collection and analysis efforts.

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During the past year our knowledge continued to improve with respect to most areas of Soviet science but particularly in the fields of fundamental sciences, organization and control of science, education in the sciences, conventional weapons systems, electronics,

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and communications. Primarily through open sources, [REDACTED]

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[REDACTED] we have now

acquired a satisfactory understanding of the general level of development of Soviet science and technology and have reduced somewhat the possibility of a surprise scientific breakthrough. However, critical gaps in scientific intelligence continue to exist.

2. Communist China

Intelligence on Communist China remains highly inadequate.

Our limited sources (primarily coverage of the regime's press and radio) provide some general understanding of the principal events. However, in spite of certain marginal improvements, our sources do not provide a firm basis for predicting important shifts in domestic or foreign policy. Although military information on Communist China is adequate for over-all assessments, serious gaps exist in almost all areas when attempts are made to go beyond broad generalization. In particular, we generally lack the capability to collect information on Chinese Communist efforts to develop or acquire advanced weapons. [REDACTED]

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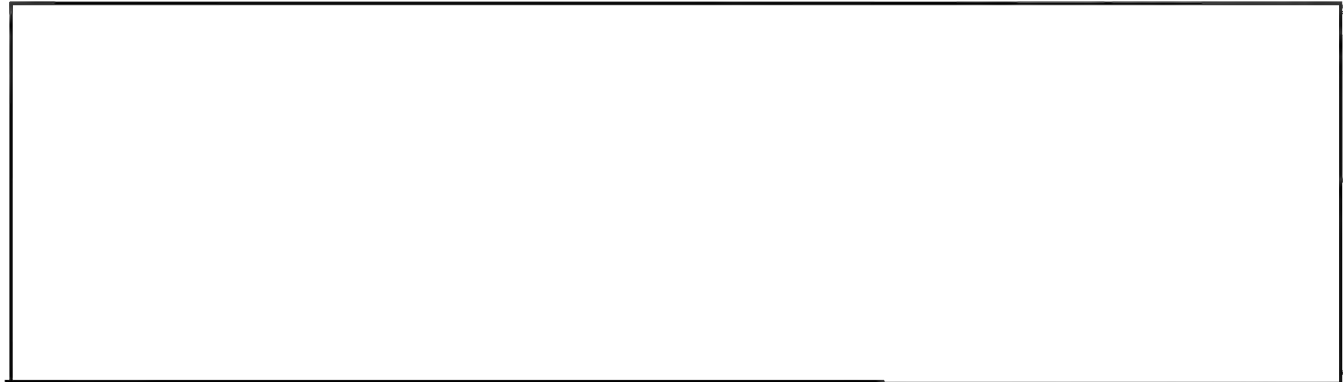
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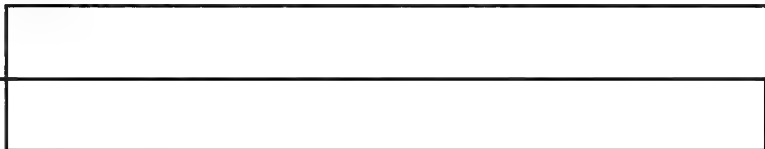
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Economic coverage has

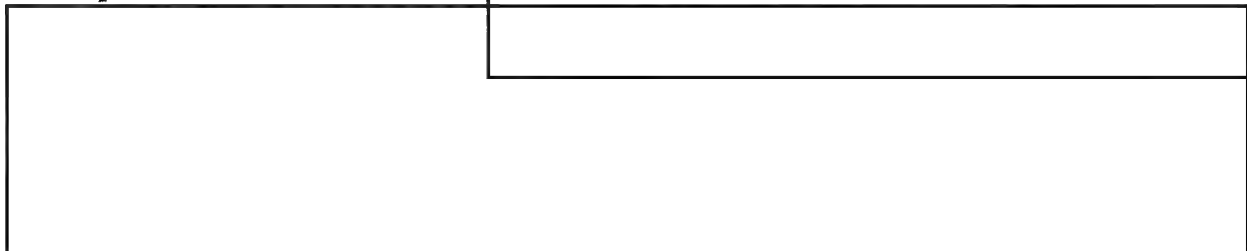
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been greatly complicated by the regime's release of highly suspect production statistics, which accompanied its adoption of the Commune and "Leap Forward" programs.



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3. Other Bloc Areas

There is considerable variation in the quality and quantity of intelligence on other Bloc areas. Coverage of Albania, Mongolia, North Vietnam and North Korea is particularly weak. In most Bloc countries our capacity to obtain more comprehensive and useful intelligence continues to be limited, either because of lack of diplomatic relations or restrictions in our movements and contacts with Bloc officials and peoples. These difficulties are less pronounced in Poland and East Germany

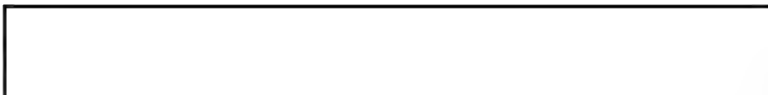
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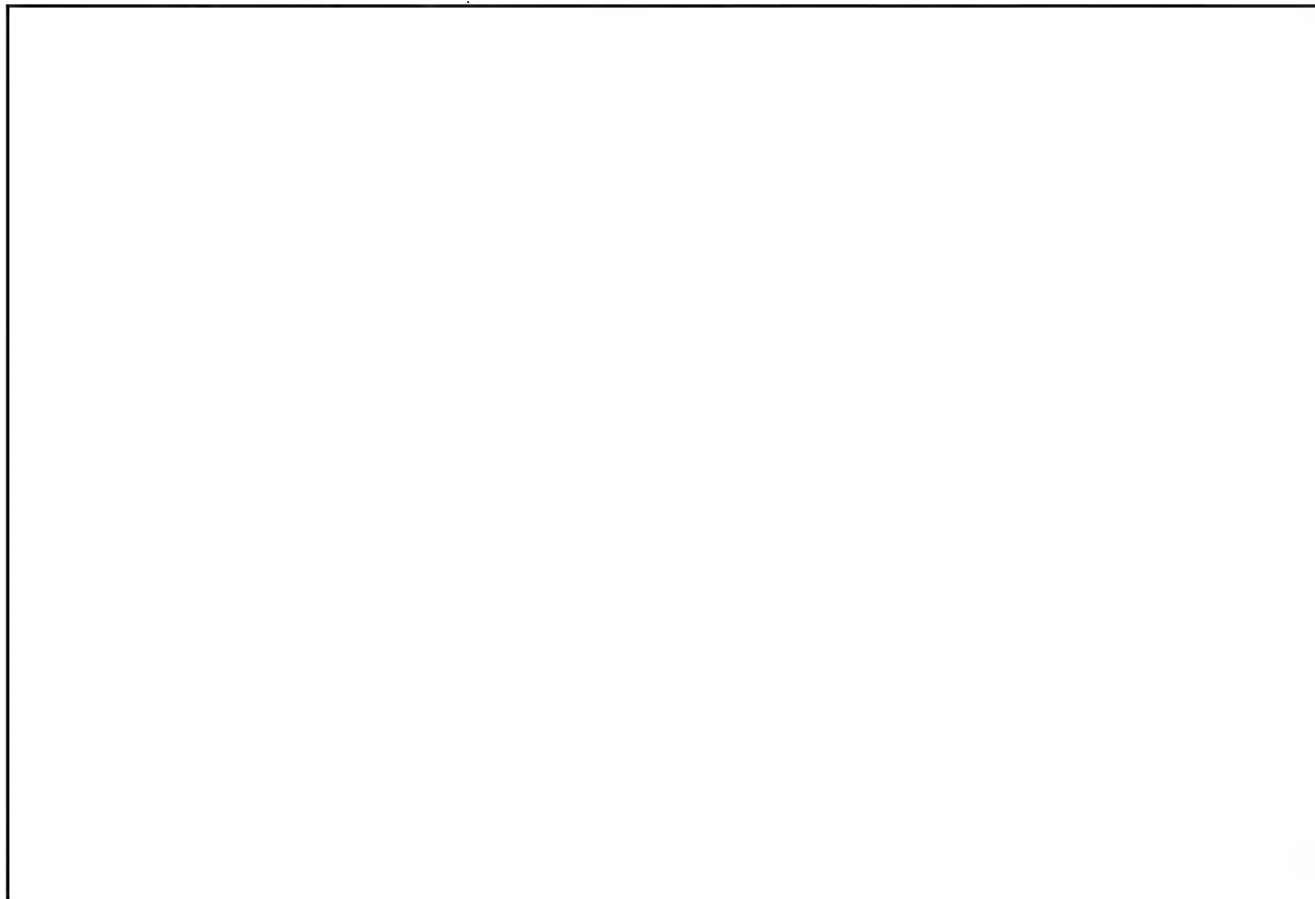
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In all Bloc countries available

sources, including a heavy reliance on the local press and radio, provide a background for understanding the general developments within these countries. These sources, however, do not furnish a reliable basis for anticipating uprisings or redirection of policy. In addition, our capability to acquire intelligence on the North Korean and Viet Minh ground forces remains highly inadequate.



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Communist movements (e. g., the Pathet Lao).

Despite a general improvement during the year, intelligence on Africa is rather sketchy. The problem at present is complicated by the fluidity arising from the pace of African nationalism, the lack of published data in many areas, our often understaffed and thinly spread consular and attache posts in Africa, and various cultural factors which hinder collection programs. Moreover, our intelligence requirements almost certainly will grow in the light of emerging longer-term problems and mounting East-West competition for influence in the area. In particular, a larger staff of trained experts on Africa must be developed.

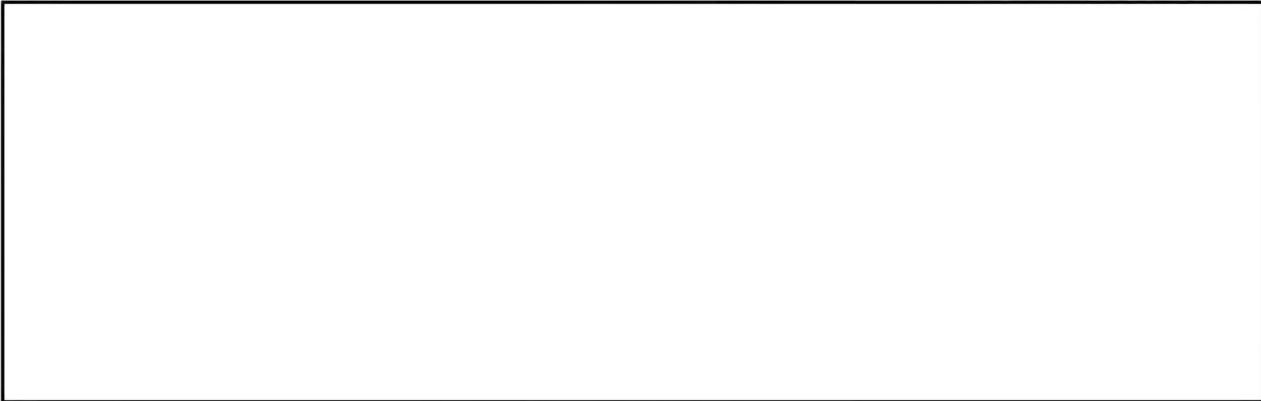
Intelligence on Latin America continued to improve during the past year, but deficiencies were still apparent in some areas. In particular, the increase in extremist agitation and exile activities in the Caribbean area in the wake of the Cuban revolution and the rise of ultra-nationalism and anti-U. S. sentiment in South America have expanded our intelligence needs and changed our focus somewhat.

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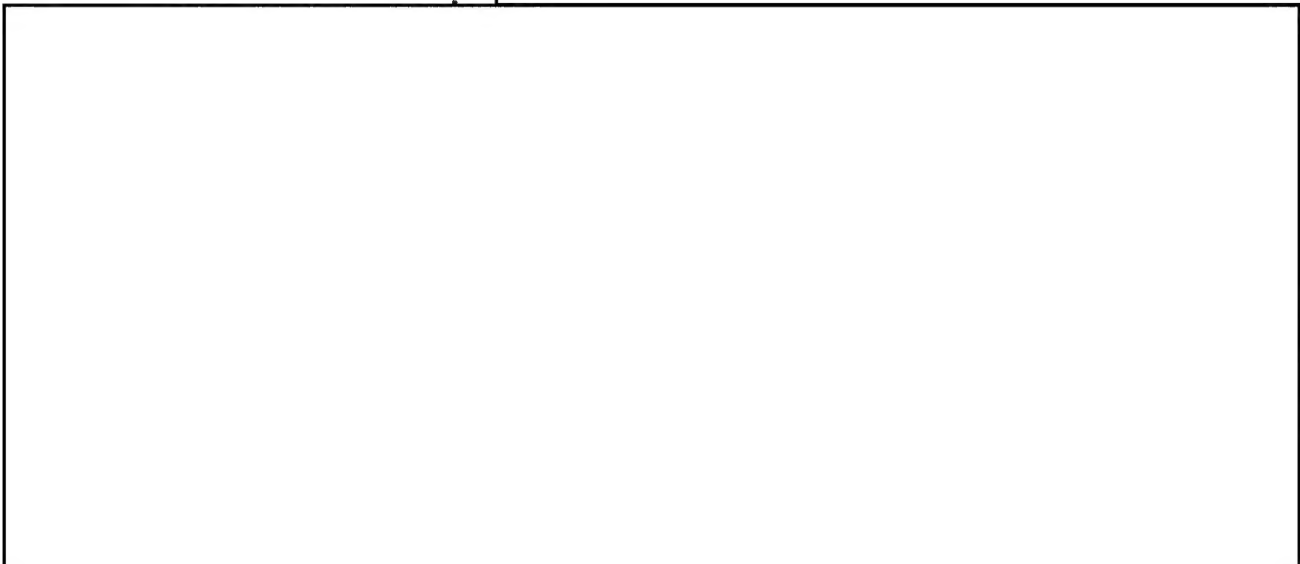
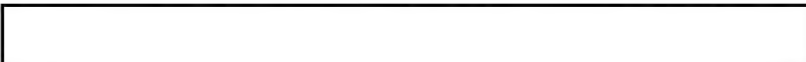


IV. Outlook

We expect our over-all intelligence on both Bloc and non-Bloc areas to benefit from the increased experience of our analysts, more efficient processing and utilization of available information, and new collection techniques.

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With respect to the Bloc, we cannot predict with confidence a significant reduction in many of our more important intelligence deficiencies at an early date. The highly effective Bloc security apparatus continues to hamper our collection in most areas; [REDACTED] 25X1C
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and Soviet advances into complex weapons systems require corresponding improvements in our collection capabilities and more sophisticated analytical techniques. An adequate early warning system requires, in addition, the augmentation and modernization of our critical communications facilities. We have some prospects for improving our understanding of Soviet military capabilities and intentions through possible developments such as freer East-West exchanges, broadened service attache programs, various scientific collection devices (including reconnaissance satellites or space vehicles specially adapted to intelligence needs), or even some type of international arms inspection agreement. Nevertheless, we shall continue to have difficulty in keeping pace with the growing complexity of the military intelligence problem.

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